

CITY OF BOULDER
PARKS AND RECREATION ADVISORY BOARD AGENDA ITEM

MEETING DATE: September 26, 2016

AGENDA TITLE: Public Hearing and Consideration of a Motion to Approve a Twenty Year Lease Extension Between the City of Boulder and the Boulder Day Nursery Association at Lots 4, 5 and 6 of Block 93 (SW Corner of 15th and Spruce)

PRESENTERS:

Yvette Bowden, Director, Parks and Recreation
Ali Rhodes, Deputy Director

EXECUTIVE SUMMARY:

The Boulder Parks and Recreation Department (department) currently holds and manages the existing land lease for the Boulder Day Nursery Association's property (BDNA) located at Lots 4, 5 and 6 of Block 93 (SW Corner of 15th and Spruce). BDNA owns a building at this site, which operates as a childcare for low-income and working families.

BDNA is requesting a 20 year lease renewal (Attachment A) with the City of Boulder (City) in order to secure bank financing to support the construction of their future BDNA location in Lafayette. By Charter (Attachment B), approval by at least four members of the Parks and Recreation Advisory Board's (PRAB) is required for park leases greater than three years. The department recommends that the PRAB approve the lease renewal and authorize the City Manager to make minor amendments prior to or during the term of this agreement in order to ensure that the lease is managed in a manner that is consistent with applicable laws and the policies and regulations of the City of Boulder

BACKGROUND:

In 1911, the land referred to as Barker Park was donated to the City by Hannah Barker to use in a manner that would result in a public benefit for children. In 1929, Boulder's City Council voted to lease the land to BDNA for the purpose of constructing and operating a child care center focused on serving low-income families. BDNA owns the building while the City owns the underlying land as well as the playground and the entirety of Barker Park. While Barker Park and the playground are used exclusively by BDNA childcare hours, the public continues to enjoy the amenity as a public park outside of BDNA's operating hours.

Leases between the city and BDNA were typically renewed in five year increments. The current lease was initiated in 2001, with the term established as twenty years and set to expire in 2021. The proposed 20 year lease arrangement facilitates BDNA's ability to successfully secure federal and state grants and low interest bank loans.

ANALYSIS:

BDNA is requesting a 20 year lease renewal (Attachment A) with the City in order to secure bank financing to support the construction of their future BDNA location in Lafayette. Additionally, the proposed 20 year renewal updates the insurance clause to meet the higher statutory requirements of \$1 million per occurrence and \$2 million aggregate; adds an assignment clause required by their bank; and adds a termination for breach clause required of all city contracts.

The department supports the lease renewal as BDNA is one of very few infant/toddler care providers in the city offering child care subsidies for low income residents. BDNA's tuition fees are determined on a sliding scale based on a family's gross income. BDNA also adjusts tuition for families that have experienced sudden job loss or financial hardship. This public benefit is a provision of the land lease ensuring that the partnership will continue to promote affordable childcare in the city of Boulder. The department will continue to work with BDNA to ensure public access to Barker Park, fulfilling the requirements of the original deed.

According to Charter 164 (Attachment B), park leases require an affirmative vote of at least four members of PRAB and City Council approval for leases greater than three years.

STAFF RECOMMENDATION:

Staff recommends that the PRAB approve the lease extension and authorize the City Manager to make minor amendments prior to or during the term of this agreement in order to ensure that the lease is managed in a manner that is consistent with applicable laws and the policies and regulations of the City of Boulder.

Suggested Motion Language:

Staff requests PRAB's consideration of this matter and action in the form of the following motion:

Motion to Approve a twenty-year lease renewal between the City of Boulder and the Boulder Day Nursery Association at Lots 4, 5 and 6 of Block 93 (SW Corner of 15th and Spruce) and authorize the City Manager to make minor amendments prior to or during the term of this agreement in order to ensure the continued provision of in-town child care services in a manner that is consistent with applicable laws and the policies and regulations of the City of Boulder.

NEXT STEPS:

Staff will consider the PRAB and public's feedback and make any necessary revisions to the proposed agreement. If approved, staff will request City Council's approval of the lease on October 4, 2016.

ATTACHMENTS:

Attachment A: Proposed Renewal Lease Between the City of Boulder and the Boulder Day Nursery Association at Lots 4, 5 and 6 of Block 93 (SW Corner of 15th and Spruce) and previous 2001 agreement

Attachment B: Charter 164 Language